

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT AND TRANSPORTATION

Call to Order: By **CHAIRMAN BOB DAVIES**, on February 15, 2001 at 8:05 A.M., in Room 317-B Capitol.

ROLL CALL

Members Present:

Rep. Bob Davies, Chairman (R)
Sen. Jack Wells, Vice Chairman (R)
Rep. John Brueggeman (R)
Rep. Monica Lindeen (D)
Sen. Bea McCarthy (D)
Sen. Corey Stapleton (R)

Members Excused: None.

Members Absent: None.

Staff Present: David Brown, Legislative Branch
Greg DeWitt, Legislative Branch
Cyndie Lockett, Committee Secretary
Amy Sassano, OBPP

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: Department of Administration,
2/15/2001; Department of
Transportation, 2/15/2001
Executive Action: Judiciary; Governor's Office-
Supplemental

{Tape : 1; Side : A; Approx. Time Counter : 0 - 30}

Mary Jo Murray, Accountant for Governor's Office requested a HB 3 supplemental for \$76,888. The administration change produced staff changes and the Governor's Office is required to payoff balances of sick and annual leave. There is a payout for four people. See **EXHIBIT(jgh38a01)**, exempt employee payout for unused leave.

Mr. DeWitt references to page A-71. This page contains language needed to act on the Department of Transportation budget.

EXECUTIVE ACTION ON DEPARTMENT OF TRANSPORTATION

Motion: **SEN. MCCARTHY** moved to approve the HB 2 language: "The department may adjust appropriations in the construction, maintenance, and transportation planning programs between state special and federal special revenue fund types if the total state special revenue authority for the programs is not increased by more than 10 percent of the total appropriations established by the legislature for each program. All transfers between fund types must be fully explained and justified by the budget documents submitted to the office of budget and program planning, and all fund transfers of more than \$1 million in any 30 day period must be communicated to the legislative finance committee in a written report." "All federal special revenue appropriations in the department are biennial."

Vote: The question was called for and the motion carried unanimously.

Motion: **SEN. STAPLETON** moved to approve the new motor pool rates listed on Table 7B, page A-93 of the Legislative Budget Analysis 2003 Biennium.

Vote: The question was called for and the motion carried unanimously.

Motion: **REP. BRUEGGEMAN** moved to approve the removal of \$250,000 general fund each year of the 2003 biennium from DUI Task Force in the Construction Program.

Mr. DeWitt talked to the Legislative Fiscal Division lawyer and the lawyer said that there was no need to change the statute.

Sen. McCarthy wants to know if there is any implications to the counties because that money has been passed through to counties. If the counties will be left short then she wants to know that.

Dave Galt, Director of Department of Transportation answered that money comes through the highway traffic safety bureau and is passed to the counties. **Mr. Galt** said the money taken away would then not allow the county programs to exist.

Mr. DeWitt said he felt the money went to grants for enforcement or equipment associated with DUI deterrent.

Rep. Brueggeman asked **Mr. Galt** about the \$8 million associated with the soft sanctions and could be used for the counties. **Mr. Galt** said there was money in one of the program budgets that can't be used for highway construction because Montana doesn't have an open container law. The amount of that money is about \$7.7 million and it can be spent on safety, but not highway construction. **Rep. Brueggeman** said theoretically that money could be used for this DUI Task Force. **Mr. Galt** said the need for radios or other help with the task force in Montana would be greater than \$7.7 million but the money could be used for it.

Sen. McCarthy asked for a county who loses the money would they have to apply for the money that was available. **Mr. Galt** said yes that is how it would work.

Sen. Stapleton asked if it's a priority for the Department of Transportation, can the agency fund this DUI Task Force with state special revenue. **Mr. Galt** said they would have to look at each one of those expenditures and make sure there was not a constitutional problem, but there could be highway special revenue spent on the program.

Vote: The question was called for and the motion carried 4-2 with Lindeen and McCarthy voting no.

Mr. DeWitt handed out **EXHIBIT (jgh38a02)** a thick packet of paper from the Department of Transportation involving the 10% reduction **Chairman Davies** asked for.

Mr. Galt explained the handout and talked about the different programs. He explained the effect of these additional cuts on his agency as a whole. As he explains he pointed out money amounts from EXHIBIT (2).

Chairman Davies asked **Mr. Galt** if the agency can meet a 10 percent reduction without jeopardizing federal funds. **Mr. Galt** replied that they could not.

{Tape : 1; Side : B; Approx. Time Counter : 30 - 60}

Mr. Galt talked about his Long Range Planning Document **EXHIBIT(jgh38a03)**. **Chairman Davies** asked if there could be a cut if you take in other factors other than the ones supported by the federal funds. **Mr. Galt** explained to the subcommittee where the big dollars are being spent. He went through explaining how some of these programs are being funded.

HEARING ON JUDICIAL BRANCH

Mr. Brown discussed the Judiciary Branch and it's changes. **EXHIBIT(jgh38a04)** shows the changes. He explained the affect of the changes to the subcommittee.

Chairman Davies asked about vacancy savings and why it can't be applied on the non-exempt portion of the Judicial Branch. **Mr. Brown** said the subcommittee can apply it to the branch personnel that it would affect. **Mr. Brown** emphasized the Judicial Branch is a separate branch of government, and what may work well for the Executive Branch may not work well for the Judiciary.

Sen. Stapleton commented that the subcommittee has been consistent on applying the vacancy savings to each branch of government.

Chairman Davies indicated it was time for executive action. **Mr. Brown** said there was a green **EXHIBIT(jgh38a05)** and purple **EXHIBIT(jgh38a06)** handouts for the subcommittee. **Mr. Brown** encouraged them to include these in their executive action.

EXECUTIVE ACTION ON JUDICIAL BRANCH

Motion: SEN. McCARTHY moved to approve the Court Appointed Special Advocate/Guardian Ad Litem as biennial appropriation.

Vote: The question was called for and the motion carried unanimously.

Motion: **SEN. McCARTHY** moved to approve state special appropriation authority for fiscal 2002 and 2003 to spend these funds for civil legal assistance for indigent victims of domestic violence.

Vote: The question was called for and the motion carried unanimously.

{Tape : 2; Side : A; Approx. Time Counter : 0 - 30}

Motion: **SEN. STAPLETON** moved the base level of funding plus statewide present law adjustments, the additional vacancy savings included in present law DP 699, and the rent reductions present law DP 698 for the Judicial Branch.

Rep. Brueggeman asked what effect 4 percent vacancy savings is going to have on the Judicial Branch. **Mr. Brown** indicated a 4 percent vacancy savings as a branch will reduce funding by about \$180,000 and may have a detrimental impact.

Discussion on the general fund results of different scenarios.

Motion: **SEN. MCCARTHY** made a substitute motion to approve the base level of funding plus statewide present law adjustments and the rent reductions DP 698 for the Judicial Branch.

Sen. Stapleton discussed that \$180,000 at 4 percent vacancy savings, and said the impact of the reduction would be consistent and would be less than what the subcommittee has already done to other agencies.

Amy Sassano, Office of Budget Program and Planning indicated when vacancy savings is applied it is not applied to the elected officials since they cannot be there 4 percent of the time. It then is applied to the remaining staff both exempt and non-exempt. In the Judicial Branch there are 49 elected officials, so \$11 million should be subtracted from the \$22 million before applying the vacancy savings.

Sen. Stapleton stated there is vacancy savings. He wants to be fair and be consistent.

Sen. McCarthy commented on a speedy justice.

Rep. Brueggeman asked if the 4 percent vacancy savings would be applied to non-elected or both. **Mrs. Sassano** and **Mr. Brown** talked it over with the subcommittee. **Chairman Davies** asked **Chief Justice Karla Gray** to speak on the issue. **Chief Justice Gray** said she understands the issue but wants to strenuously suggest to the subcommittee that by applying this vacancy savings, they hit about 14 FTE, and this is their law clerks. They rely heavily on these law clerks.

Ed Smith, Clerk of the Montana Supreme Court indicated they had a tough job with the budget. He said they usually have \$40,000 to \$45,000 operating expenses excluding salary and benefits. Vacancy savings then takes roughly \$5,000 off the top of the operating

expenses. He has no vacancies as workload requires full staffing.

Vote: The question was called for and the substitution motion failed 3 to 3 with Davies, Wells, and Stapleton voting no.

Motion: SEN. MCCARTHY made a substitute motion to approve the base level of funding plus statewide present law adjustments, the additional vacancy savings of 2%, and the rent reductions DP 698 for the Judicial Branch.

Vote: The question was called for and the substitution motion carried unanimously.

Chairman Davies indicated this would be applied to non-elected officials. Mr. Brown asked does this includes elected officials exempt, just exempt. Sen. Stapleton wanted to affect the written figure that shows \$82,192.

Motion: SEN. STAPLETON moved to approve DP 1001.

Sen. Wells commented on the Gov. Martz recommendation for 4.0 FTE in FY 2003. Sen. McCarthy asked if they did not already discuss this issue earlier. Sen. Stapleton suggested the 4.0 FTE begin right away instead of FY 2003. Rep. Brueggeman commented in support.

{Tape : 2; Side : B; Approx. Time Counter : 30 - 60}

Discussion continued on DP 1001.

Motion: SEN. STAPLETON made a substitute motion to approve DP 1001 authorizing 3.0 FTE for FY 2002 and FY 2003. Legislative intent is one FTE be for the Chief Justice and two FTE as law clerks for other justices for FY 2002 and FY 2003. This is one-time-only for the biennium.

Chairman Davies asked Chief Justice Gray to comment. She indicated she was happy with the three FTE.

Vote: The question was called for and the substitution motion carried unanimously.

Motion: REP. LINDEEN to approve DP 1002 as requested.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. STAPLETON moved to approve DP 1003 as requested.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. McCARTHY moved to approve DP 1004 as requested.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. McCARTHY moved to approve DP 1101 as requested.

Vote: The question was called for and the motion carried unanimously.

Motion: REP. LINDEEN moved to approve DP 1102 as requested.

Sen. Stapleton said the word expansion should not be used.
Sen. Wells concurred. Mr. Brown indicated it would be changed expansion.

Vote: The question was called for and the motion carried unanimously.

Motion: REP. LINDEEN moved to approve DP 1104 as requested.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. Wells moved to approve DP 2001 as requested.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. Wells moved to approve DP 2002 as requested.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. STAPLETON moved to approve DP 3003 as requested.

Vote: The question was called for and the motion carried unanimously.

REP. LINDEEN moved to approve all the present law adjustments as requested for Judicial Branch.

Motion: SEN. McCARTHY moved to approve DP 3004 as requested.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. STAPLETON moved to approve DP 3101 as requested.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. McCARTHY moved to approve DP 4001 as requested.

Discussion between Sen. Stapleton and Mrs. Smith on the Judicial education.

{Tape : 3; Side : A; Approx. Time Counter : 0 - 30}

Conclusion of the discussion about Judicial education.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. McCARTHY moved to approve DP 4003 as requested.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. McCARTHY moved to approve DP 5001 as requested.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. McCARTHY moved to approve DP 5002 as requested.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. Wells moved to approve DP 5003 as requested.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. Wells moved to approve DP 6002 as requested.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. Wells moved to approve DP 6003 as requested.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. McCARTHY moved to approve DP 6004 as requested.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. STAPLETON moved to approve DP 6101 as a one-time-only appropriation.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. McCARTHY moved to adoption of the budget as amended and to close deliberations for the Judicial Branch.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. McCARTHY moved to approve the supplemental of \$76,888 for the Governor's Office.

Vote: The question was called for and the motion carried unanimously.

HEARING ON DEPARTMENT OF ADMINISTRATION

Mr. DeWitt had the subcommittee get out the handout **EXHIBIT(jgh38a07)** on the requested budget reductions for Department of Administration. Mr. DeWitt explains the handout.

Barbara Ranf, Director of Department of Administration talked about the handout.

Rep. Lindeen asked about the Personnel Unit. Cathy Muri, Department of Administration answered her questions.

Mrs. Muri talked about GASB 34. She handed out **EXHIBIT(jgh38a08)** information on GASB 34.

JereAnn Nelson, Administrator for State Tax Appeal Board discusses her handout **EXHIBIT(jgh38a09)** and explains what she is asking the subcommittee to do.

Mr. DeWitt commented on GASB 34 and then Sen. Stapleton talked about having these issues keep coming up. Sen. Stapleton wanted everyone to look at page A-182.

{Tape : 3; Side : B; Approx. Time Counter : 30 - 60}

Sen. Stapleton explained what he saw and how he determined his decision on the Risk Management and Tort Defense Division.

Sen. Wells commented also on what he feels on this issue with Risk Management and Tort Defense Division.

Motion: SEN. STAPLETON moved to approve the percentage amount of the vacancy savings be reduced from 31 percent to 20 percent in order to enhance State Tax Appeal Board's ability to adequately respond to appeal filings.

Vote: The question was called for and the motion carried 5-1 with Wells voting no.

Motion: REP. LINDEEN moved to approve budget reductions of \$64,565 related to the personnel unit becoming a proprietary fund and of \$11,095 related to defer maintenance for carriage house at original Governor's Mansion in each year.

Vote: The question was called for and the motion carried unanimously.

Mrs. Linder points out that the personnel unit has become a proprietary fund based on the last vote so now it has to have a rate.

Mr. DeWitt told the subcommittee he had the rate that should be proposed, because in order for personnel unit to have revenues they are requesting to allocate \$88,262 for FY 2002 and \$92,691 for FY 2003.

Mrs. Linder also stated this will be base on FTE being served.

Discussion on proprietary fund with the subcommittee and Department of Administration.

Motion: SEN. MCCARTHY moved to approve rate of allocation in FY 2002 of \$88,262 and in FY 2003 of \$92,691 based on FTE being served.

Vote: The question was called for and the motion carried unanimously.

Rep. Brueggeman talked about HB 48.

JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT AND
TRANSPORTATION

February 15, 2001

PAGE 11 of 12

ADJOURNMENT

Adjournment: 11:30 A.M.

REP. BOB DAVIES, Chairman

CYNDIE LOCKETT, Secretary

BD/CL

EXHIBIT (jgh38aad)